

[Your Name]
[Your Address]
[City, State, Zip Code]
[Phone Number]
[Date]

[Name of Creditor/Collection Agency]
[Contact Person, if known]
[Address]
[City, State, Zip Code]

RE: Settlement Offer for Account Number: [Your Account Number]

Dear [Name of Contact Person or Billing Department],

I am writing this letter to formally explain that I am currently experiencing severe financial hardship due to [mention cause: e.g., job loss, medical emergency, etc.]. Because of these circumstances, I am unable to pay the full balance of \$[Total Amount Owed] on the above-referenced account.

I would like to offer a one-time, lump-sum payment of \$[Offer Amount] as a full and final settlement of this debt. This amount represents [Percentage]% of the current balance. This is the maximum amount I can provide at this time.

By accepting this offer, [Name of Creditor] agrees to the following terms:

- The payment of \$[Offer Amount] will be accepted as a full settlement of the debt.
- The account will be closed and marked as "Settled in Full" or "Paid in Full."
- All further collection activity for this account will cease.
- The negative balance will be reported to the credit bureaus as "Satisfied" or "Settled."

Please provide a written response on company letterhead confirming your acceptance of these terms. Once I receive the written agreement, I will send the payment via [Certified Check/Money Order] within [Number] business days.

Thank you for your time and for considering my financial situation.

Sincerely,

[Your Signature]
[Your Printed Name]